

Mineral Industry Surveys

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SILVER IN MAY 2004

U.S. mines produced 100,000 kilograms (kg) of silver in May 2004, according to the U.S. Geological Survey. Compared with that of April, production of silver was up 5%. Most of the increase can be attributed to Nevada, where production was up by 14%.

On May 27, 2004, Coeur d'Alene Mines Corporation announced that it proposed to acquire Wheaton River Minerals Ltd. in a stock and cash transaction valued at \$3.28 (C\$4.50) per Wheaton share or a total transaction value of approximately \$1.8 billion (C\$2.5 billion) in equity and \$133 million (C\$182 million) in assumed debt less \$174 million (C\$238 million) cash, based upon Coeur's closing stock price on May 27, 2004. The combination of Coeur and Wheaton River reportedly would create the fourth largest North American precious metals company, increase Coeur's primary silver production by 45%, and create a top-10 gold producer with among the lowest cash costs of production in the industry (Coeur d'Alene Mines Corporation, 2004).

The price of silver rose from around \$6.00 per troy ounce on January 1, 2004, to a 16-year high of \$8.23 per ounce on April 7. The price held at just above \$8 per ounce for about a week

before falling back below \$7 per ounce in a matter of days. It traded again in the \$7.00 to \$7.20 range during the middle of April before falling below \$6 per ounce, reaching a low for the year of \$5.60 per ounce on May 13.

Prices subsequently recovered to trade in the \$6.00 to \$6.20 range in May reaching \$6.19 per ounce on May 19. A broad-based flight of fund interest in industrial metals was the main reason for silver's sharp about turn during April and May. The price of gold also experienced a slight turnaround, its price also falling as a result of fund selling. The price reversal of silver, however, was far more spectacular. Only nickel's price fall came close to that experienced by silver (CRU International Ltd., 2004, p. 7).

References Cited

- Coeur d'Alene Mines Corporation, 2004, Coeur proposes to acquire Wheaton River in a stock and cash transaction valued at US\$3.28 (C\$4.50) per share: Coeur d'Alene, ID, Coeur d'Alene Mines Corporation press release, May 25, 5 p.
CRU International Ltd., 2004, Silver, *in* Precious metals market commentary: London, United Kingdom, CRU International Ltd., May, 12 p.

TABLE 1
MINE PRODUCTION OF RECOVERABLE SILVER
IN THE UNITED STATES, BY STATE¹

(Kilograms)

	Nevada	Other States ²	Total
2003: ^p			
May	27,700	78,400	106,000
June	26,600	79,000	106,000
July	28,900	69,600	98,500
August	28,800	68,100	96,900
September	31,900	73,700	106,000
October	27,700	77,600	105,000
November	30,600	75,400	106,000
December	28,300	81,200	109,000
January-December	322,000	914,000	1,240,000
2004:			
January	24,400	90,900	115,000
February	22,600	67,000	89,600
March	24,500	72,400 ^r	96,900 ^r
April	23,200	72,000 ^r	95,200 ^r
May	26,500	73,800	100,000
January-May	121,000	376,000	497,000

^pPreliminary. ^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes Alaska, Arizona, California, Colorado, Idaho, Missouri, Montana, Utah, and Washington.

TABLE 2
SILVER PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2003:	
Low/date	4.39 March 24
High/date	5.98 December 31
Average	4.91
2004:	
March:	
Low/date	6.71/3
High/date	7.91/31
Average	7.30
April:	
Low/date	5.88/29
High/date	8.23/7
Average	7.09
May:	
Low/date	5.60/13
High/date	6.19/27
Average	5.89
Year to date:	
Low/date	5.60 May 13
High/date	8.23 April 7
Average	6.74
Handy and Harman:	
2003, Average	4.91
2004:	
March	7.28
April	7.09
May	5.88
Year to date	6.74
London Final: ¹	
2003, Average	4.88
2004:	
March	7.23
April	7.06
May	5.85
Year to date	6.69

¹Reported as "London Spot/US Equiv."

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Bullion		Doré		Ores and concentrates ²		Ash and residues		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2003	4,000,000	\$630,000	233,000	\$72,200	2,540	\$1,590	92,600	\$10,700	4,330,000	\$714,000
2004:										
February	328,000	67,000	28,300	9,770	456	82	6,890	4,440	364,000	81,300
March	363,000	79,000	26,800	9,780	--	--	6,990	1,540	397,000	90,300
April:										
Australia	--	--	--	--	--	--	569	87	569	87
Canada	87,300	20,400	97 ³	15	335	76	4,520	635	92,300	21,100
Chile	6,000	1,320	--	--	--	--	--	--	6,000	1,320
Dominican Republic	--	--	--	--	--	--	164	23	164	23
Mexico	93,400	22,400	26,200 ³	10,100	--	--	--	--	120,000	32,500
Panama	10 ³	7	--	--	--	--	--	--	10	7
Peru	55,600	11,200	3,770	985	--	--	--	--	59,400	12,200
South Africa	6 ³	6	--	--	--	--	--	--	6	6
Taiwan	--	--	--	--	--	--	165	41	165	41
Total	242,000	55,300	30,000	11,100	335	76	5,410	786	278,000	67,300
Year to date	1,230,000	258,000	107,000	39,000	791	158	31,300	10,800	1,370,000	308,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes silver content of base metal ores and concentrates.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

TABLE 4
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms ² (gross weight)		Waste and scrap (gross weight)	
	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)
2003	281,000	\$42,200	20,800	\$4,160	661	\$96	355,000	\$52,600	886,000	\$107,000
2004:										
February	5,320	867	2,940	712	--	--	80 ^r	32 ^r	78,800	9,560
March	13,200	2,260	2,280	580	--	--	4,470 ^r	1,050 ^r	45,300	10,500
April:										
Argentina	--	--	--	--	--	--	--	--	2	40
Brazil	--	--	--	--	--	--	641	112	--	--
Canada	663 ³	189	--	--	--	--	3,400	896	4,030	844
Costa Rica	--	--	--	--	--	--	--	--	12,000	685
Dominican Republic	--	--	--	--	--	--	--	--	382	345
El Salvador	--	--	--	--	--	--	--	--	2	16
France	--	--	625	168	--	--	--	--	327	43
Germany	151 ³	52	312 ³	91	--	--	2,030	547	397	1,100
Guatemala	--	--	--	--	--	--	--	--	2	35
Ireland	--	--	--	--	--	--	--	--	14	143
Italy	--	--	--	--	--	--	--	--	51	868
Japan	--	--	600	182	--	--	--	--	4	64
Jordan	--	--	--	--	--	--	--	--	8	16
Mexico	8,400	1,400	--	--	--	--	--	--	6,910	2,090
Nicaragua	--	--	--	--	--	--	--	--	4	32
Panama	--	--	--	--	--	--	--	--	44	296
Philippines	--	--	--	--	--	--	--	--	5,050	128
Romania	--	--	3 ³	2	--	--	--	--	--	--
Singapore	--	--	--	--	--	--	--	--	5	98
Switzerland	--	--	242	68	--	--	--	--	--	--
United Kingdom	--	--	--	--	--	--	(4) ³	22	600	425
Venezuela	--	--	--	--	--	--	--	--	233	2,060
Other	--	--	--	--	--	--	--	--	398	11
Total	9,210	1,650	1,780	512	--	--	6,080	1,580	30,500	9,340
Year to date	37,800	6,590	10,000	2,540	--	--	10,600 ^r	2,660 ^r	173,000	38,800

^rRevised. -- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Containing 99.5% or more by weight of silver.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

⁴Less than 1/2 unit.

TABLE 5
U.S. EXPORTS OF SILVER¹

Period and country	Bullion		Doré		Ores and concentrates ²		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2003	135,000	\$20,700	19,800	\$3,200	57,900	\$16,200	212,000	\$40,300
2004:								
February	106	28	2,940	592	134	27	3,180	646
March	6,900 ^r	1,650	3,560	797	80	18	10,500	2,470
April:								
Armenia	--	--	--	--	55	9	55	9
Canada	28,300	6,320	--	--	--	--	28,300	6,320
Germany	53	16	--	--	--	--	53	16
Mexico	3,340	450	--	--	--	--	3,340	450
Niger	32 ³	12	--	--	--	--	32	12
Singapore	--	--	332	77	--	--	332	77
Spain	28 ³	9	--	--	--	--	28	9
Switzerland	--	--	1,570	327	--	--	1,570	327
Trinidad and Tobago	--	--	--	--	32	9	32	9
Turkey	18	5	--	--	--	--	18	5
Total	31,700	6,820	1,900	404	87	18	33,700	7,240
Year to date	39,200	8,580	11,300	2,370	301	63	50,900	11,000

^rRevised. -- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes silver content of base metal ores and concentrates.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 6
U.S. EXPORTS OF SILVER¹

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms ² (gross weight)		Waste and scrap (gross weight)	
	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)
2003	26,000	\$5,470	473,000	\$81,500	69,200	\$9,120	344,000	\$59,400	2,020,000	\$410,000
2004:										
February	2,570	689	43,000	7,320	5,500	556	15,900	2,760	184,000	34,300
March	4,150	930	58,900	10,400	6,030	636	20,300	3,550	228,000	39,100
April:										
Belgium	30	7	90	15	--	--	--	--	9,530	1,610
Canada	1,770	387	2,760	469	1,280 ³	196	6,560 ³	1,140	65,700	13,100
China	--	--	--	--	--	--	47	8	35,700	4,750
Czech Republic	--	--	41	7	--	--	--	--	--	--
Dominican Republic	450	103	--	--	--	--	135	23	--	--
France	--	--	3,980	676	--	--	230	45	--	--
Germany	--	--	10,200	1,730	4 ³	3	603 ³	115	9,770	5,240
Hong Kong	28	6	2,390	407	--	--	320	54	63	11
India	54	12	--	--	--	--	125	21	90	12
Indonesia	--	--	--	--	--	--	--	--	500	65
Italy	--	--	94	15	--	--	165	30	13,400	2,590
Jamaica	116	25	--	--	--	--	--	--	--	--
Japan	--	--	13,700	2,450	--	--	350	60	248	2,650
Korea, Republic of	--	--	18,000	3,150	--	--	2,090	355	6,230	809
Mexico	--	--	--	--	891 ³	54	1,530	326	--	--
Netherlands	--	--	792	135	--	--	494	87	--	--
Poland	--	--	--	--	--	--	599	102	--	--
Saudi Arabia	--	--	--	--	--	--	--	--	6,620	2,180
Seychelles	--	--	--	--	--	--	--	--	231	30
Singapore	--	--	587 ³	103	--	--	1,180	210	--	--
Spain	--	--	--	--	--	--	2,190	372	208	27
Sweden	--	--	--	--	--	--	--	--	1,410	183
Switzerland	--	--	75	12	--	--	--	--	--	--
Taiwan	--	--	9,230	1,570	141	27	610	104	1,140	148
United Kingdom	--	--	8,360	1,420	161 ³	4	885	150	3,770	568
Vietnam	116	25	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	351 ³	60	--	--
Total	2,560	567	70,300	12,200	2,480	283	18,500	3,260	155,000	33,900
Year to date	14,100	3,130	214,000	37,000	18,000	2,020	70,200	12,300	750,000	147,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Containing 99.5% or more by weight of silver.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.